



County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

March 29, 2011

#20 MARCH 29, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES:
ESTABLISH CAPITAL PROJECTS TO COMPLY WITH SOUTH COAST AIR
QUALITY MANAGEMENT DISTRICT RULE 1146 FOR
HARBOR/UCLA MEDICAL CENTER (C.P. NO. 87085); RANCHO LOS AMIGOS
REHABILITATION CENTER (C.P. NO. 87076); LAC+USC MEDICAL CENTER
(C.P. NO. 87081); OLIVE VIEW-UCLA MEDICAL CENTER (C.P. NO. 87120); AND
APPROVE BUDGET ADJUSTMENT AND RELATED ACTIONS
(FIRST, SECOND, FOURTH, AND FIFTH DISTRICTS)
(3 VOTES)**

SUBJECT

Establishment of capital projects and approval of project budgets to comply with the South Coast Air Quality Management District Rule 1146 requirements for boiler emissions at Harbor/UCLA Medical Center (C.P. No. 87085); Rancho Los Amigos Rehabilitation Center (C.P. No. 87076), LAC+USC Medical Center (C.P. No. 87081); Olive View-UCLA Medical Center (C.P. No. 87120); and approval of a budget adjustment.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the proposed projects are categorically exempt under the California Environmental Quality Act for reasons stated herein.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

2. Establish capital projects to comply with South Coast Air Quality Management District Rule 1146 requirements and approve project budgets as follows:
1) Capital Project No. 87085 for Harbor/UCLA Medical Center in the amount of \$600,000; 2) Capital Project No. 87076 for Rancho Los Amigos Rehabilitation Center in the amount of \$1,200,000; 3) Capital Project No. 87081 for LAC+USC Medical Center in the amount of \$6,600,000; and 4) Capital Project No. 87120 for Olive View-UCLA Medical Center in the amount of \$925,000.
3. Approve an appropriation adjustment to transfer \$1,125,000 from Capital Project No. 86937 (Various Health Services Capital Projects) as follows: \$925,000 to Capital Project No. 87120 (Olive View Medical Center Air Quality Management District Rule 1146 Compliance Project) and \$200,000 to Capital Project No. 87076 (Rancho Los Amigos Rehabilitation Center Air Quality Management District Rule 1146 Compliance Project).
4. Approve and authorize the Department of Health Services and Internal Services Department to implement the projects.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will authorize the Department of Health Services (DHS) and Internal Services Department (ISD) Energy Management Division to proceed with the retrofit of boiler and duct burner equipment to comply with the South Coast Air Quality Management District (SCAQMD) Rule 1146 requirements to reduce oxides of nitrogen (NOx) emissions.

The SCAQMD Rule 1146 requires large central plants to reduce NOx emissions from industrial, institutional and commercial boilers, steam generators, and process heaters to a level of no more than nine parts per million (ppm). In order to comply with this rule, the County must retrofit existing boilers at Harbor/UCLA Medical Center (Harbor) and Rancho Los Amigos National Rehabilitation Center (Rancho), and replace the existing boilers at LAC+USC Medical Center (LAC+USC) and the existing duct burner system at Olive View-UCLA Medical Center (Olive View). This work must be completed within specific time frames as specified under SCAQMD Rule 1146, depending on the actual size, heat output, and type of systems in use at each facility. Failure to comply with these requirements may result in penalties of \$1,000 to \$25,000 per day.

Harbor-UCLA Medical Center

Harbor currently has three existing boilers that require upgrade in order to meet the new SCAQMD Rule 1146 compliance requirements. The proposed project will include the replacement of the burner systems in each of the three boilers with new ultra-low NOx

burner systems. These new burners will be in compliance with the SCAQMD requirement of nine ppm NOx. The deadline for meeting the SCAQMD 1146 requirement is January 1, 2013. The cost for this work is estimated at \$600,000.

Rancho Los Amigos Rehabilitation Center

The proposed project will include retrofitting three of the four existing boilers to meet the new SCAQMD Rule 1146 requirements. With authorization from SCAQMD, the one remaining boiler will be re-permitted and maintained as a standby for emergency back-up purposes. The deadline for meeting the SCAQMD Rule 1146 requirement is January 1, 2012. ISD currently estimates that the work will be completed by February 2012; therefore, an extension will likely be requested from SCAQMD. ISD and DHS will review any opportunities to expedite the work at Rancho to meet the current deadline. The cost for the retrofit work at Rancho is estimated at \$1,200,000.

LAC+USC Medical Center

The old central plant at LAC+USC Medical Center currently serves several non-acute care facilities on the hospital campus, including the occupied areas of General Hospital, the old outpatient facility, former Interns and Residents Building, General Labs Building, as well as the adjacent Coroner's facility and Probation Department's Central Juvenile Hall campus.

The central plant has four existing boilers, each more than 45 years old, which have exceeded their operational life. Currently, all four boilers are non-operational. As of early February, LAC+USC is using a rental boiler at a cost of approximately \$36,000 per month, excluding the initial installation fee of approximately \$173,000. The proposed project will include the installation of new boilers to meet the current needs of the campus, which have decreased in recent years due to the de-licensing, vacation, or demolition of some structures. Additional boilers could be installed in the event that future campus development or expansion increases the need for steam/hot water.

The deadline for meeting the SCAQMD 1146 requirements at LAC+USC is January 1, 2013. The cost for the SCAQMD Rule 1146 retrofit work at LAC+USC is estimated at \$6,600,000.

Olive View-UCLA Medical Center

Olive View currently has two duct burner units that run parallel to the existing gas-fired cogeneration system in order to provide the hospital's hot water and steam requirements. This system is used in lieu of the traditional gas-fired boiler system used

at other DHS medical centers. In early 2010, ISD proposed to the SCAQMD, decreasing the output of the existing duct burner system to obtain additional time to comply with the Rule 1146 requirements. ISD received tentative approval of this plan, however, in December 2010, SCAQMD reversed its initial agreement with this concept and denied ISD's permit.

Therefore, the plant is now noncompliant with the Rule 1146 requirements. ISD has negotiated a revised compliance plan and schedule with SCAQMD in order to comply with the Rule 1146 criteria. Per SCAQMD's stipulated requirement, the proposed project will include retrofit of the two existing duct burners to meet the nine ppm NOx criteria. SCAQMD's current compliance deadline requires completion of the retrofit work by December 15, 2011. The cost for the work at Olive View is estimated at \$925,000.

Each of the four Rule 1146 projects will be managed by the ISD Energy Management Division through use of its Energy Efficiency Projects Master Agreement (EEPMA), approved by your Board on November 6, 2007.

Sustainable Design Program

The proposed project will support your Board's Policy for Green Building/Sustainable Design Program by installing more efficient burner systems, which will reduce NOx emissions and greenhouse gases to the atmosphere.

Implementation of Strategic Plan Goals

Approval of the recommended actions supports County Strategic Plan Goals of Operational Effectiveness (Goal 1) by Environmentally Responsible Practice to reduce County's Carbon Footprint and promote environmental stewardship.

FISCAL IMPACT/FINANCING

The attached appropriation adjustment will transfer a total of \$1,125,000 from C.P. No. 86937 (Health Services Various Improvement Projects) to C.P. No. 87120 (Olive View Medical Center AQMD Rule 1146) in the amount of \$925,000, and C.P. No. 87076 (Rancho Los Amigos Rehabilitation Center AQMD Rule 1146) in the amount of \$200,000, to fully fund these projects.

The recommended actions will establish four capital projects to comply with SCAQMD Rule 1146 requirements with a total estimated cost of \$9,325,000 as follows:

- Harbor/UCLA Medical Center - C.P. No. 87085 - \$600,000
- Rancho Los Amigos Rehabilitation Center – C.P. No. 87076 - \$1,200,000
- LAC+USC Medical Center – C.P. No. 87081 - \$6,600,000
- Olive View Medical Center – C.P. No. 87120 - \$925,000

Sufficient appropriation is available in the Fiscal Year 2010-11 Capital Projects/Refurbishments Budget to fully fund all of the projects. The proposed projects are funded with net County cost from the DHS and Vehicle License Fee Gap Loan Funding. The Project Schedule and Budget Summary are included in Attachment A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with your Board's Civic Art Policy adopted on December 15, 2009 and subsequently amended, Civic Art fees do not apply to the proposed projects as the projects are related to retrofit of existing central plant equipment and are technical in nature as specified in the policy.

The design, permitting, and installation required for these projects will be managed by the ISD Energy Management Division through use of its EEPMA, approved by your Board on November 6, 2007. ISD has been given delegated authority by your Board to acquire and install energy efficient building systems within existing County facilities.

ENVIRONMENTAL DOCUMENTATION

The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) according to Section 15301 (a) (d) and Section 15302 of the State CEQA Guidelines and Class 1 (d) of the Document Reporting Procedures and Guidelines because the project provides for minor alteration, repair, or replacement of existing facilities and mechanical equipment involving negligible or no expansion of an existing use.

CONTRACTING PROCESS

ISD will be responsible for procurement of vendors to complete the work at all of the facilities. In order to expedite the process, projects will be competitively bid utilizing either ISD's EEPMA vendors that were approved by your Board on November 7, 2007, or through the standard procurement process depending on which process is more expedient. Upon approval to move forward, the Purchasing Agent will issue solicitations and make the award to the lowest responsible bidders that meets the bid specifications in accordance with the County's purchasing policies and procedures.

The Honorable Board of Supervisors
March 29, 2011
Page 6

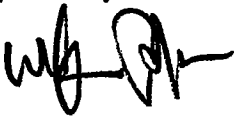
IMPACT ON CURRENT SERVICES

The recommended actions are not expected to impact County services at these facilities since the work will be completed in phases while adequate back-up systems will be in place.

CONCLUSION

Please return one adopted copy of the Board letter to the Chief Executive Office, Capital Projects Division, and the Department of Health Services, Capital Projects Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR
DJT:SW:zu

Attachments

- c: Executive Office, Board of Supervisors
- Civic Arts Commission
- County Counsel
- Health Services
- Internal Services Department

HARBOR/UCLA MEDICAL CENTER (C.P. NO. 87085)

I. PROJECT SCHEDULE

<u>Project Activity</u>	<u>Scheduled Completion Date</u>
Design	June 1, 2011
Jurisdictional Approvals	September 1, 2011
Equipment Procurement	September 15, 2011
Construction Start	October 1, 2011
Construction Substantial Completion	March 1, 2012

II. BUDGET SUMMARY	
<u>Budget Category</u>	<u>Proposed Budget</u>
Design	\$25,000
Equipment	\$420,000
Installation	\$60,000
Testing/Inspection/Fees	\$25,000
Planning Contingency	\$70,000
Total Project Cost	\$600,000

RANCHO LOS AMIGOS REHABILITATION CENTER (C.P. NO. 87076)

I. PROJECT SCHEDULE	
<u>Project Activity</u>	<u>Scheduled Completion Date</u>
Design	April 1, 2011
Jurisdictional Approvals	July 6, 2011
Equipment Procurement	July 7, 2011
Construction Start	August 1, 2011
Construction Substantial Completion	February 15, 2012

II. BUDGET SUMMARY	
<u>Budget Category</u>	<u>Proposed Budget</u>
Design	\$50,000
Equipment	\$864,000
Installation	\$191,000
Testing/Inspection/Fees	\$20,000
Planning Contingency	\$75,000
Total Project Cost	\$1,200,000

LAC+USC MEDICAL CENTER (C.P. NO. 87081)

I. PROJECT SCHEDULE	
Project Activity	Scheduled Completion Date
Design	May 1, 2011
Jurisdictional Approvals	August 1, 2011
Equipment Procurement	August 15, 2011
Construction Start	September 1, 2011
Construction Substantial Completion	July 1, 2012

II. BUDGET SUMMARY	
Budget Category	Proposed Budget
Design	\$200,000
Equipment	\$4,200,000
Installation	\$1,925,000
Testing/Inspection/Fees	\$75,000
Planning Contingency	\$200,000
Total Project Cost	\$6,600,000

OLIVE VIEW-UCLA MEDICAL CENTER (C.P. NO. 87120)

I. PROJECT SCHEDULE	
<u>Project Activity</u>	<u>Scheduled Completion Date</u>
Design	May 1, 2011
Jurisdictional Approvals	April 1, 2011
Equipment Procurement	March 1, 2011
Construction Start	June 1, 2011
Construction Substantial Completion	December 15, 2011

II. BUDGET SUMMARY	
<u>Budget Category</u>	<u>Proposed Budget</u>
Design	\$100,000
Equipment	\$694,000
Installation	\$46,000
Testing/Inspection/Fees	\$15,000
Planning Contingency	\$70,000
Total Project Cost	\$925,000

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF CHIEF EXECUTIVE OFFICE

DEPT'S.
NO. 060

March 29, 2011

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2010-11

3 - VOTES

SOURCESUSES

See Attachment B

See Attachment B

SOURCES TOTAL: \$ 2,250,000

USES TOTAL: \$ 2,250,000

JUSTIFICATION

This appropriation adjustment is to reallocate appropriation and funding from the Various Health Refurbishments Project (CP 86937) to Olive View-UCLA Medical Center and Rancho Los Amigos to fund the duct burner retrofits to comply with South Coast Air Quality Management District Rule 1146 requirements.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

AUTHORIZED SIGNATURE

SABRA WHITE

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

20 MAR 29 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐ ACTION☒ RECOMMENDATION

AUDITOR-CONTROLLER

B.A. NO.

169

BY

Karen Shikuma
Mar 18 20 11

☒ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY

Sabrina White
March 18 20 11

Attachment B
March 29, 2010
FY 2010-11
3 - Votes

Sources

Health Services
Various Refurbishments
Capital Assets: Building and Improvements
A01-CP-6014-65036-86937 1,125,000
Decrease Appropriation

Health Services
Olive View-UCLA AQMD Rule 1146
Capital Assets: Building and Improvements
A01-CP-96-9919-65036-87120 925,000
Increase Revenue

Health Services
Rancho Los Amigos AQMD Rule 1146
Capital Assets: Building and Improvements
A01-CP-96-9919-65036-87076 200,000
Increase Revenue

Total 2,250,000

Uses

Health Services
Various Refurbishments
A01-CP-96-9919-65036-86937 1,125,000
Operating Transfer In
Decrease Revenue

Health Services
Olive View-UCLA AQMD Rule 1146
Fixed Assets: Building and Improvements
A01-CP-6014-65036-87120 925,000
Increase Appropriation

Health Services
Rancho Los Amigos AQMD Rule 1146
Fixed Assets: Building and Improvements
A01-CP-6014-65036-87076 200,000
Increase Appropriation

Total 2,250,000

This appropriation adjustment is to reallocate appropriation and Vehicle License Gap Loan funding from the Various Health Refurbishments Project (CP-86937) to Olive View-UCLA Medical Center and Rancho Los Amigos to fund the duct burner retrofits to comply with South Coast Air Quality Management District Rule 1146 requirements.

BA# 169 Karen Shukuma 3/18/11